

## **GROUP AND RESIDENTAIL CHILD CARE FACILITIES**

### **INSTRUCTIONS FOR COMPLETING THE SOUTH DAKOTA STATISTICAL COST REPORT**

#### **2005 & 2006 REPORTING PERIODS**

#### **PROGRAM REQUIREMENTS**

Effective for the reporting period of 1999 Providers who are multiple program agencies are requested to **prepare a separate cost report for each program** in it's operation.

In the past the Department of Social Services had attempted to combine numerous programs into one cost report. However, this procedure complicated the issue of cost reporting for the providers. Therefore in order to simplify the entire procedure we are requesting one cost report for each program.

In order to properly identify each program you are requested to include the name of the individual program on both the cover sheet (page 1) and each page of the report.

#### **SUBMITTAL INSTRUCTIONS**

1. A blank Statistical Cost Reports is being sent by the Office of Provider Reimbursement and Auditing to each Group and Residential Provider. Please prepare copies as may be necessary to comply with the requirements of submitting one cost report for each program.

Instead of preparing the enclosed hard copy cost report, you may elect to submit the cost report on a computer disk. This office has formatted the cost report into an Excel program that contains the cost reporting schedules and is available on the web page at [www.state.sd.us/social/Provider/index.htm](http://www.state.sd.us/social/Provider/index.htm) or a 3 ½ inch computer disk. Please contact the Office of Provider Reimbursement & Audits if you need a computer disk mailed to you.

The deadline for completing and returning the cost report(s) will be 150 days following the close of each facility's fiscal year.

3. Please return the completed cost report(s) to the following address:

Office of Provider Reimbursement and Audits  
Department of Social Services  
700 Governors Drive  
Pierre SD 57501

4. Filing Extensions - Extensions for filing the cost report(s) beyond the required deadline shall be requested as follows:
  - a. There shall be no automatic extensions for filing the annual report. All requests must be in writing and must be received by the Office of Provider Reimbursement & Audits at least fifteen (15) working days prior to the due date.
  - b. Requests must clearly explain the necessity for the extension and specify the date on which the report will be submitted.
  - c. Approval of extensions will be granted for good cause only at the sole discretion of the Department, based on the merits of each request. A “good cause” is one that supplies a substantial reason, one that affords a legal excuse for the delay, or an intervening action beyond the providers control. The following are not considered as good cause: ignorance of the rule, inconvenience, or a cost report preparer engaged in other work.
5. All inquiries on completion of the cost report should be directed to the Office of Provider Reimbursement and Audits at 605-773-3643.

#### **GENERAL INSTRUCTIONS**

1. The Statistical Cost Report will be considered complete when all required schedules are complete and all inquiries of the Office of Provider Reimbursement and Audits are satisfactorily resolved. All incomplete or incorrect reports will be returned to the provider for correction.

If an attachment does not apply to your facility, indicate by marking N/A on the form.
2. The cost report Cover Sheet, Schedules A, B, C, D, and Attachments I, II, and III are to be prepared for each individual program from the provider’s historical records.
3. The Cover Sheet (Page 1) and the Attestation Page (Page 12) must be completed and signed by the agency director. Please return the originals.
4. All expenses reflected on the Cost Report(s) must be supported by the facility’s general ledger. **A copy of the facilities trial balance must accompany the cost report.** Adjusting journal entries must be supported by worksheets or an explanation which reasonably justifies the entry. All records and worksheets used in preparing the cost report must be readily available for audit.

5. All costs reported on Schedule A are to be gross costs and rounded to the nearest dollar. Example: If a program's telephone bill totals \$3,500 for the year, and the facility was reimbursed by clients, employees, guests and others for long distance calls in the amount of \$200, then \$3,500 should be shown in the Trial Balance Column, Acct. 2300 and the \$200 should be shown as an adjustment in the Non-Program Related Adjustment Column. The \$200 received as telephone reimbursement would also be reported on Schedule B. If your accounting records reflect net costs in the expense accounts, then only the net cost would be entered on Schedule A and the amount reimbursed would not be shown on Schedule B.
6. Providers who are multiple program agencies, extending services not contracted for by the Department of Social Services, must prepare a cost report for each program that represents a fair presentation of expenses attributable to services provided by each program.

Costs that can be allocated to different programs, by use of square footage, time studies, or other approved methods must be allocated. A narrative must be attached showing the allocation methods used for allocating costs to excluded programs as well as those that are contracted for by the Department. (See Financial Reporting Requirements, Item Number 1, titled Allocation).

7. All fund raising expenses should be listed in the normal appropriate account, and Attachment II must be completed and returned.
8. The Non-Program Related Adjustment Column is to be used to report unallowable costs (such as depreciation on assets purchased with grant funds and mortgage principal payments).
9. Failure to maintain auditable records or failure to provide all necessary provider and related organization records may cause your payments to be withheld. In addition, failure to provide necessary supporting documentation to the Provider Audit Program will result in the disallowance of such expenses. Those expenses that remain unsupported at the termination of the audit response period will not subsequently be allowed.
10. Reasonable cost allowability and limitations will be determined in accordance with the Health Care Financing Administration Manual (HCFA Pub-15), Administrative Rules of South Dakota and Cost Report Instructions and Guidelines issued by the Department of Social Services. Instructions and guidelines issued by the Department will supersede HCFA Pub 15, should discrepancies occur between the two. Fraudulent statements will be referred to the Medicaid Fraud Unit for appropriate action.

## **FINANCIAL REPORTING REQUIREMENTS**

### **1. Allocation**

Where services of a facility are jointly used for maintenance, service, administration or non-allowable activities, the facility must allocate the cost by a method which is supported by a sound statistical basis. Direct allocation of cost is the preferred method, however other allocation methods are allowable if properly supported.

Examples of allowable bases for Direct Operating Expense Allocation:

<u>Direct Expense</u>	<u>Allowable Bases for Allocation</u>
1. Salaries	Time Studies
2. Housekeeping Costs	Useable Square Footage
3. Property & Plant Costs	Useable Square Footage
4. Administration Expenses	Allocated on the basis of percentage of total direct cost of the activity to total costs other than administration.
5. Rent/Depreciation on Building & Equipment	Square feet or actual/assigned square feet of usage.
6. Utilities	Square feet of usage
7. Telephone	Location of phone and analysis of past phone bills.
8. Transportation	Analysis of expenditures based on employees assigned units.
9. Program Supplies	Usage
10. Food Service	Usage
11. Janitorial Supplies/Services	Analysis of expenditures and contracts and/or square feet.
12. Plant Operation/Maintenance	Square feet of area occupied and/or Work Orders
13. Purchasing	Costs of supplies and services used by each cost center
14. Laundry & Linen	Pounds of soiled laundry processed. Pounds of processed laundry issued. Weighted pieces of laundry.
15. Central Services & Supply	Amount of priced requisitions. Special analysis of labor and supply usage.

## **2. Maintenance and Service Cost**

Professional staff and direct staff time must be allocated between the cost categories of Maintenance (Custodial) Care and Service (Treatment) Care.

- Maintenance or Custodial Care time will be defined for this purpose to include the basic care needs of providing food, clothing, shelter and protection.
- Service or Treatment Care time will include all the care time necessary to fulfill the child(s) care plan. This is to include counseling, training and education.

### **2a. Maintenance (Custodial) Cost**

(Allowable Costs) - Reimbursable costs for providing food, clothing, shelter and protection may include the following:

1. Salary and fringe benefits, properly allocated, for direct care personnel;
  - a. Supervisors of child care workers
  - b. Child care workers
  - c. Relief child care workers
  - d. Cooks
  - e. Janitors and housekeepers
  - f. Laundry
2. Food - Actual food costs. The value of donated food may not be included in food costs.
3. Operating Supplies - The cost of supplies necessary to maintain the household for the residents. Costs include such items as cleaning supplies, paper products, and hardware supplies.
4. Personal Supplies/Allowances - The cost of supplies used by an individual resident including medicine chest supplies, personal hygiene items, etc. Allowances include monies given periodically to residents for personal use.

Personal allowance does not include payment, whether in cash or in kind, for work performed by the resident or for bonuses or rewards based on behavior.
5. Clothing - The cost of necessary and reasonable clothing to maintain a resident's wardrobe.

6. Recreation - General costs incurred for providing recreation to residents, including subscriptions, sports equipment, games, dues for clubs, an admission fees to sporting, recreation, and social events.
7. Utilities - The cost of heat, lights, water, sewage, garbage and cable TV.
8. Telephone - The cost of local service to the living quarter. Long distance calls are allowable only if specifically identified as being related to maintenance and are not service or administrative in nature.
9. Repairs - The cost of routine repairs and upkeep of property and equipment used for the residents. If the repairs cannot be directly associated with the maintenance of a resident, a generally accepted method of allocation such as machine hours or square footage may be used.
10. Travel - All costs related to transporting residents exclusive of evaluations and social service activities. Transportation costs may include either mileage or actual costs . Mileage rate, if elected instead of actual costs, may not exceed the state approved mileage rate.
11. Leases/Rental - The cost of leasing assets from a non-related organization is allowable. If the lease cost cannot be directly associated with a function, an allocation must be made. The cost of leasing assets from a related organization is allowable up to the actual cost of the related organization.
12. Depreciation Expense - Depreciation expense on all capitalized equipment and property, which was not donated or purchased with funds made available through other government programs or grants, is allowable to the extent that the depreciation is funded. Depreciation will be calculated using the straight line method. Depreciation on property and equipment not used solely for the maintenance of residents must be allocated.
13. Insurance - Cost of insuring property and equipment used in the maintenance of residents.
14. Medical Supplies - Cost for necessary medical-related items for residents, which are not covered by donated resources, insurance or governmental medical care programs.

15. Administration - Allocated costs of administration.
16. Interest Expense - Interest expense paid on borrowed funds, which are required to provide program services to clients.
17. Inservice Training & Education - The actual cost of inservice and/or education for those identified above, being recipient service related, is an allowable cost in rate determination. This cost may also include the expense of bringing consultants to the provider agency to conduct the training session. Costs for all non-recipient service related training and/or education are not allowable.

**2b. Service (Treatment) Cost**

1. Reimbursable costs for the Service (Treatment) component may include:
  - a. Salaries and fringe benefits for social workers, psychologists, psychiatrists, nursing, and other professional social service staff.
  - b. Salaries and fringe benefits of direct care personnel, such as:
    - \* Supervisors of Child Care Workers. Proper allocation must be made if the supervisors provide direct treatment time to the residents in addition to their supervisory duties.
    - \* Child Care Workers / Relief Child Care Workers. Proper allocation must be made if they participate in fulfilling the treatment care plan of the child. Treatment time would include counseling, training and education.
  - c. Inservice Training & Education - The actual cost of inservice and/or education for those identified above, being recipient service related, is an allowable cost in rate determination. This cost may also include the expense of bringing consultants to the provider agency to conduct the training session. Costs for all non-recipient service related training and/or education are not allowable.
  - d. Travel and phone costs related to evaluations and social service activities.
  - e. Administrative - Allocated costs of administration.

### **3. Non-Allowable Costs**

Non-allowable costs include, but are not limited to:

1. Advertising and public relations expenses.
2. Any cost which has not actually been incurred by the facility including the value of donated goods and services.
3. Bad debts - Bad Debts are a deduction from the applicable income account rather than a reimbursable expense item from purchase of care funds. Using this accounting procedure, neither the income nor expense of the agency is overstated and duplicate funding of expenses is eliminated.
4. Costs incurred solely to enhance income from investments.
5. Cost of securing contributions of donations.
6. Costs related to income-producing activities, including but not limited to farms, rodeos, grass cutting services, gaming, etc., whether or not the activity is profitable.
7. Depreciation costs for idle facilities. An exception may be made when such facilities are necessary to meet caseload fluctuations. Documentation must exist to request an exception.
8. Dues and costs of attending service organizations – all dues and costs associated with individual or agency memberships to fraternal organizations, chambers of commerce, county clubs, etc.
9. Fines and penalties resulting from failure to comply with Federal, State and Local laws.
10. Finance, late charges, and the following items of interest expense are not reimbursable with purchase of care funds:
  - i. Funds borrowed for investment purposes;
  - ii. Funds borrowed to create working capital in excess of two months' operating costs;
  - iii. Funds borrowed for the personal benefit of employees, officers, boards of directors members, or owners of the provider agency;
  - iv. Funds borrowed without a prior time-limited written agreement with the Department for the purchase of land, buildings, and/or equipment for future expansion, until such items are actively used in program activity;



- v. Interest charges made for intra-agency loans between funds are not a reimbursable expense from purchase of care funds.
- 11. Entertainment costs for activities including staff only.
- 12. Religious salaries, space and supplies.
- 13. Research and development costs.
- 14. Taxes, including federal and state income taxes, special assessments, which must be capitalized, taxes from which exemptions are available, self-employment taxes, and taxes on property not used in providing maintenance for the resident.
- 15. Telephone costs attributable to personal usage by employees and residents, unless in care plan.
- 16. All costs associated with lobbying efforts of any kind.
- 17. Charity, grants and professional discounts – Charity, grants and professional discounts are not allowable expenses for rate determination. Charity is defined as the donation of cash or in-kind services to other organizations and individuals external to the program activities approved by the Department. Grants are defined as awards to organizations, programs and/or individuals are to be differentiated from educational support of employees which may be allowable costs as inservice training expenses.
- 18. Non-client meals are not allowable for rate determination. Non-client meals are defined as meals consumed by guests and staff when staff attendance with the client is not programmatically mandatory.
- 19. Sales of goods or services - Any expense incurred by the provider for the sale of goods or services is not allowable for rate determination.
- 20. Legal Costs - Costs of legal fees, accounting and consultant services, or other related costs incurred in connection with hearings, arbitration, or judicial proceedings pertaining to the acquisition of property(s), or lawsuits regarding allegations of negligence, or appeals of reimbursement rates will not be allowable for rate determination. In regards to the appeal of reimbursement rates, the costs will be allowable if the facility's request constitutes a valid claim.

#### **4. Offsetting Revenues**

Available revenues from third parties will be used to offset costs prior to determining a reimbursement rate. Costs commonly offset by revenues include, but are not limited to:

1. Food - Facilities receiving reimbursements for food and related costs from other programs, such as United States Department of Agriculture, must reduce allowable food costs by the revenue received.
2. Insurance Recoveries - Any amount received from insurance for a loss incurred shall be offset against costs reported in the current year.
3. Refunds and Rebates - Any refund or rebate received for a reported cost must be offset against the appropriate cost.
4. Transportation - Any reimbursement of transportation costs included in the facility's cost statement must be offset.
5. Revenue from the sale of any asset must be offset against depreciation expense.
6. In-Kind Contribution - The Department recognizes in-kind contributions, both as a source of income and as an expense of operations. Thus, the expense is paid by the source of income directly and the donation expense is not allowable for rate determination.
7. Revenue from the rental portions of the building will be offset against ownership/occupancy expenses.
8. Revenue from investments will be offset against interest expense, to the extent of the interest expense.
9. Grants from Federal, State or Philanthropic agencies.

## **5. Parent-Subsidiary Organizations**

1. Costs applicable to services, facilities, and supplies furnished to a provider by a related organization shall be limited to the lower of:
  - a. the cost to the parent-subsidiary organization
  - b. the price of comparable services in the local market

Providers must identify such related organizations and costs and an appropriate statement of costs and allocations must be submitted with the cost report.

2. Expense Paid to a Related Organization - Rental Expense of Buildings and Equipment.

Rental expense for buildings and equipment which do not exceed actual cost for these items and are necessary to provide program services to recipients are an allowable expense.

3. Home Offices - A chain organization consists of a group of two or more provider facilities which are owned, leased, or through any other device, controlled by one organization.
4. Home Office Costs - Only the home offices reasonable costs for providing services related to treatment (patient care) are includable as allowable costs on a provider's cost report. To be considered an allowable cost, the home office cost must be directly related to those services performed for individual providers and related to client services. Documentation as to the time spent, the services provided, the hourly valuation of services, and the allocation method used must be available to substantiate the reasonableness of the costs.

Management fees, as such, charged between related organizations are not allowable costs and such fees must be deleted from the cost report.

For cost reporting purposes all allowable home office costs must be reported as administrative costs.

## **6. Gifts and Income from Endowments**

1. Unrestricted gifts and income from endowments will not be deducted from operation costs in computing reimbursable costs. Gifts or endowment income designated by a donor for paying specific operation costs will offset the specific costs or group of costs in the amount of the income designated for this specific area.

## **6. Gifts and Income from Endowments - continued:**

2. Period in Which Funds Are Deemed Used - The terms of the contribution may specifically state the period of time during which the funds are to be applied. Where such specific periods of time are not provided, restricted contributions are deemed to be used in the reporting period in which the gift is received, to the extent that applicable costs are incurred after the date of the gift.

Generally, the donor of a restricted contribution intends that the provider use the funds for the purpose for which they were given. Therefore, the order of application is in accord with the purposes in which they were received and are carried over into the following period, or periods, and used for the designated purpose.

## **CHART OF ACCOUNTS**

The account numbers for expenditures are not intended to be all-inclusive in detailing the expenses of an agency. There is flexibility permitted for your system as long as all required detailed information is reported. However, the numbering system used in the chart of accounts is an important item in order to have a basis of identifying object expenses in a manner that is uniform for reporting purposes for all providers.

## **2100 SALARIES**

The 2100 series of accounts is for the purpose of recording all salaries and wages earned by an agency' regular employees (full or part time) and temporary employees. Payments to persons employed on a fee for service, such as lawyers, auditors, and physicians should not be reported here, but under account numbers 2400, 2500, and 3500, as the case may be.

### 2100 Administrative Staff

This is for the purpose of recording all administrative staff salaries and wages either full or part time. As an example:

Executive Director  
Asst. Executive  
Branch Director  
Business Manager

Finance Director  
Director / Accountant  
Office Manager  
Public Relations Director

### 2120 Professional Staff / Program Personnel

Examples of Professional Staff / Program Personnel would be:

Program Supervisor	Nutritionist
Social Worker	Occupational Therapist
Counselor	Physician
Psychologist	Speech Therapist
Registered Nurse	Audiologist
Licensed Practical Nurse	Teacher / Instructor

### 2130 Direct Staff - Other

Examples:

Services Staff	Home Aide
Child Care Worker	Houseparent
Aides	

### 2140 Clerical

Examples:

Bookkeeper	Secretary
Clerk	Receptionist
Computer Operator	Office Staff

### 2190 Other Staff

Examples:

Transportation Staff	Housekeeping Staff
Laundry Staff	Dietary Staff
Maintenance Staff	Client Wages

## **2200 EMPLOYEE HEALTH AND RETIREMENT BENEFITS**

The 2200 series of accounts is for the accumulation of expenses paid and accrued by an agency under its own or other employee health and retirement benefits plans, including voluntary employee termination or retirement payments outside a formal plan. This is not to include employee contributions or payments.

### 2210 Health Benefit Plan

This account is to accumulate the cost of hospitalization and other health insurance coverage for program staff.

#### 2200 Retirement Plans

The cost of the Retirement Annuity Plan or other approved retirement plans.

#### 2290 Other Benefits

The cost of any other employee benefits which cannot be reported under accounts 2210 or 2220. (Example – Group Life Insurance premiums).

### **2300 PAYROLL TAXES**

The 2300 series of account numbers is for the accumulation of Social Security taxes, workmen's compensation insurance premiums, and other taxes payable by employers under Federal, State, or local laws.

#### 2310

Accounts for the purpose of recording the FICA tax expense of the agency.

#### 2320

Intended for the State and Federal Unemployment Insurance payable by employers under State and Federal Law.

#### 2350

Intended for the Workmen's Compensation Insurance premiums paid by the employer.

### **2500 PROFESSIONAL FEES & CONTRACT SERVICE PAYMENTS**

The 2500 series of account numbers is intended for the accumulation of fees and expenses of non-client related professional practitioners and consultants who are not employees of the agency and are engaged as independent contractors for specified services on a fee or other individual contract basis.

#### 2510 Auditing & Accounting

Fees paid for auditing the agency books and fees paid for bookkeeping or accounting services. Salaries for regular bookkeeping services should be reported in account 2140 if the bookkeeper is on the agency staff.

#### 2520 Attorney Fees – Legal Costs

Fees paid to attorneys by the agency for legal services directly related to care of the residents / patients. Legal costs related to other than resident / patient care is not allowed. Legal costs in connection with purchasing land and/or buildings and/or other properties must be capitalized.

2530 Building Maintenance Services

Fees paid by the agency to contractors for services rendered in order to maintain the facility.

2590 Professional Services

Costs of other services purchased by the agency on a fee-for-service basis.

**2600 SUPPLIES**

Intended for costs of materials and supplies used by the program.

2610 Building and Grounds Supplies

Janitorial supplies such as soaps, detergents, disinfectants and supplies for wash rooms, (paper towels, toilet tissue, soap, light bulbs, etc.).

2620 Office Supplies

Consumable office supplies (stationery, memo pads, photocopies, etc.)

2630 Program Supplies

Consumable supplies used in the individual client programs.

2640 Medical Supplies

Agency stock items used for all residents (Band-Aids, aspirin, dressings, etc.)

2650 Recreation and Craft Supplies

Sporting equipment such as basketballs, baseballs, etc., and supplies for craft classes, activity classes, etc., which are directly related to the care plan of the program.

2660 Expendable Equipment Purchased

Intended for assets with a unit cost of \$500 or less. Purchased assets with a value in excess of \$500 must be capitalized.

2670 Equipment & Maintenance Supplies

Costs of supplies used in maintaining the building, equipment and grounds.

2690 Other Supplies

Costs of other supplies that have not been specifically addressed above. A statement must be attached to the cost report which identifies both the item and cost of these supplies.

## **2700 BOARDING EXPENSE**

2710 Food - All costs associated with the purchase of consumable commodities.

2720 Dietary Supplies - All costs associated with the purchase of non-consumable items used in the dietary area.

## **2800 TELEPHONE EXPENSE**

Intended for all telephone and similar expenses.

## **2900 POSTAGE AND SHIPPING**

Intended for postage, parcel post, and shipping expenses.

## **3100 OCCUPANCY**

The 3100 series of accounts should be allocated by a space utilization formula. Square footage by program should be developed so a fair distribution of all occupancy expense can be distributed.

### 3110 Rent of Space

Enter rent paid for land, buildings, and office space used in the operation of the program.

If rent is paid to an individual or an organization related to the facility by common ownership or control, the rent should be shown in the trial balance column and the total amount of rent must be adjusted out in the Non-Program Adjustment column. The cost of ownership should be shown on the applicable lines.

### 3120 Utilities

This includes the cost of heating, water, gas, electricity, waste removal, etc.,.

### 3130 Care of Buildings and Grounds

Building repairs and the cost of materials for such repairs.

Note: Salaries of janitors and maintenance staff are not reported here, but in account 2190.



3140 Mortgage Interest

Interest paid on a mortgage. Interest on facilities shared by more than one program must be allocated according to acceptable methods and reported on a program specific basis.

3160 Property Insurance and Taxes

Includes property insurance and taxes, fire insurance, general liability insurance, etc. Insurance and taxes that are shared by more than one program must be allocated according to acceptable methods and reported on a program specific basis.

3190 Other Occupancy Expense

Any other occupancy expense that cannot be reported under the other headings in the 3100 account classifications. A statement must be attached to the cost report which identifies both the item and cost of these expenses.

**3200 OTHER AGENCY EXPENSE**

3240 Advertising

Allowable advertising costs include those in connection with recruiting personnel, or for procurement of scarce items or services related to the care of the residents. No other advertising costs are allowable.

3250 Dues & 3251 Memberships

Reasonable cost of dues and membership fees in organizations related to the development and operation of resident care facilities and care programs is allowable. Any part of dues or membership costs that are associated with lobbying and political activities are not allowed.

3252 Subscriptions

The cost of subscriptions to professional, technical, or business related periodicals that relate to the operation of the program.

3260 Outside Printing

Intended for and limited to the cost of treatment related informational brochures.

3275 Professional Liability & Bonding Insurance

The cost of protection for errors and omissions, and against fraudulent or dishonest acts by officers or employees.

3290 Miscellaneous Expense

Cost of miscellaneous items. A statement must be attached to the cost report which identifies both the item and cost of these expenses. If the allowability of the expenses is not adequately documented the department will automatically disallow the costs.

**3300 VEHICLE EXPENSE**

Intended for expense of travel and transportation for staff or clients of the reporting program within the area of its regular daily activities. Any transportation costs for clients to return to their home for therapeutic leave should be charged to Account 3505.

3310 Auto Mileage / Rental

To include mileage payments to staff, clients/students, and/or volunteers, plus rental cost for autos, vans or buses.

Principal payments in the purchase of vehicles cannot be charged to this account or any other account. Purchased vehicles must be depreciated in Account 4410.

3320 Vehicle Repair / Maintenance

The cost of repairing and maintaining program vehicles. (Actual cost of gas, oil, lubrication, tires, licenses, etc.).

3330 Vehicle Insurance

Vehicle insurance paid by the program. (Liability, property, fire, theft, etc.)

3390 Other Service Related Transportation

Other non-medical transportation costs which relate directly to rendering services to the clients. A statement must be attached to the cost report which identifies both the item and cost of these expenses. If the allowability of the expenses is not adequately documented the department will automatically disallow the costs.

**3400 CONFERENCES / CONVENTIONS**

3410 Educational Conferences

The actual cost of inservice and/or education, being recipient/client service related.

3420 Business Meetings

The reasonable cost of travel and living expenses incurred by program staff in attending recipient/client service related business meetings.

**3500 ASSISTANCE TO CLIENTS**

3505 Client Transportation

Transportation costs for clients to return to their home for therapeutic leave.

3510 Personal Needs

Allowances and cost of personal needs such as toothbrushes, shaving cream, etc.

3515 Clothing (Maintenance)

Costs incurred in providing reasonable clothing for clients.

3520 Physician Services

Individual client needs that are not covered by the Medical Assistance Program or other programs.

3570 Psychological Services

Individual client needs that are not covered by the Medical Assistance Program or other programs.

3580 Psychiatric Services

Individual client needs that are not covered by the Medical Assistance Program or other programs.

3590 Other Medical Services

Expenses incurred in getting the client to the service provider and expenses such as pharmacy or optometric services that are not covered by the Medical Assistance Program or other programs.

**4400 DEPRECIATION OF FIXED ASSETS**

The amount entered for depreciation on equipment and furniture must be identifiable in the accounting records of the facility and acceptable for certification. The acceptable method of recording depreciation is the use of straight-line method, following the American Hospital Association (AHA) Guidelines.

Depreciation on assets purchased with grant funds or donated by an governmental entity are not allowable costs.

Total depreciation costs should be shown in the Trail Balance Column, and the unallowable portions should be shown in the Trail Balance Column, and the unallowable portions should be adjusted out in the Non-Program Related Adjustment Column.

4410 Depreciation of Agency Vehicles

4420 Depreciation of Office Equipment

4430 Depreciation of Furnishings and Equipment

4480 Depreciation of Buildings & Leasehold Improvements

Leasehold improvements are to be depreciated for the life of the lease. Buildings are to be depreciated at no more than 3% for masonry and 4% for frame. No depreciation is to be taken on rental property or land.

Depreciation on buildings should be reported on a program basis.

## **INSTRUCTIONS FOR SCHEDULE B - REVENUES**

SD Court Services	-	All income from South Dakota Court Services for services.
SD Dept. of Educ	-	All income from South Dakota Department of Education for client services provided.
Local School Dist.	-	All income from school districts for services provided.
BIA	-	All income from the Bureau of Indian affairs for client services provided.
DSS	-	All income from the South Dakota Department of Social Services for services provided.
Div. of Rehab.	-	All income from the Division of Rehabilitation Services.
DHS	-	All income from the South Dakota Department of Human Services.
Other States	-	All income from other states for client services provided.
Insurance	-	All income from insurance companies for client services.
Private Pay	-	All income from private pay clients such as parents, guardians, groups, business, etc., for services provided.
Room & Board	-	All income from sources used for Room and Board and/or co/pay amounts. (SSI/SSA).
Other	-	List all other service income generated by the program. Attach list.
Grants	-	List all grant revenue earned during the reporting period for the program. Grant funds must be reported by source of funding.
Contributions	-	List all contributions attributable to this report period for the program. If any contributions are restricted for a specific program, they should be reported and marked as such. Documentation supporting the restrictions must be available for review.
Other Income	-	Report in the appropriate column.

## **INSTRUCTIONS FOR ATTACHEMNT I - PROGRAM STAFF**

Complete Attachment I in the following manner:

- Line 2110 - Beginning with Line Item 2110 list all employees for whom you reported costs on Schedule A.
- Position Title - In the Position Title Column, list the title of each individual employee (e.g. Psychologist, Counselor, Clerical, etc.).
- FTE - In the FTE Column, enter the number of FTE's per classification, using the equivalent of 2080 hours per year for a full time FTE.
- Gross Salary - In the Gross Salary Column, enter the individual's gross salary for the reporting period.